

Priority
July 27, 1999
7-27-99
5-19-00

Clean Version of Claims

1. A system for managing one or more Security Receipts, each said Security Receipt evidencing a beneficial interest in underlying securities, the system comprising:
 - a Trustee holding the underlying securities;
 - a computer system with associated memory for storing data relating to the underlying securities and the Security Receipts;
 - means for generating Security Receipts having said beneficial interest, based on said underlying securities; and
 - means for (i) accepting a further deposit from a Depositor of underlying securities in exchange for one or more newly issued Security Receipts, or (ii) canceling a Security Receipt in exchange for transferring the underlying securities to an owner of said Security Receipt.
2. The system of claim 1, wherein the underlying securities for said Security Receipt have a common characteristic.
3. The system of claim 1, comprising both means for accepting further deposits for a newly issued Security Receipt and for canceling a Security Receipt in exchange for corresponding underlying securities.
4. The system of claim 1, further comprising means for trading Security Receipts.
5. The system of claim 1, further comprising means permitting an owner of a Security Receipt to vote an underlying security.

6. The system of claim 1, further comprising means for distributing a dividend granted or other distribution with respect to a security underlying a Security Receipt to the owner of the Security Receipt.

7. A method for creating a tradable Security Receipt, wherein said Security Receipt is an investment instrument evidencing beneficial ownership in one or more securities, comprising:

providing a bundle of said securities;

transferring said bundle of securities to a Trustee;

exchanging said bundle for one or more Security Receipts evidencing ownership of the securities;

distributing dividends, if any, from said securities to said owners of Security Receipts on a *pro rata* basis; and

exchanging said securities, or a portion thereof, upon surrender of one or more Security Receipts evidencing ownership of said securities.

8. The method of claim 7, further comprising the step of notifying said owners of said Security Receipts of voting rights related to said securities and soliciting votes from said owners.

9. In combination in a tradeable security vehicle corresponding in value to a select aggregation of underlying securities, wherein said security vehicle comprises:

a. dividend and voting pass-through means allowing holders thereof corresponding rights to dividend income and ownership voting rights in said underlying securities;

b. vehicle exchange means for converting said tradeable security vehicle into a select interest in said underlying securities; and

c. vehicle arbitrage means for creating additional tradeable security vehicles having identical characteristics at a price corresponding to said underlying securities.

10. The tradeable security vehicle of claim 9 wherein said vehicle exchange means comprises operation of a trustee and includes purchases and/or redemptions of underlying securities on an Exchange.

11. The tradeable security vehicle of claim 9 wherein said vehicle arbitrage means comprises operation of a trustee and includes accepting said underlying securities in exchange for a corresponding security vehicle.

12. A method of trading interests in capitalized securities, said method comprising the steps of:

creating a tradeable security vehicle, corresponding in value to a portfolio of select underlying securities having a common characteristic;

establishing a trustee for issuing said tradeable security vehicle, holding title to plural securities in said portfolio of select underlying securities, and redeeming said tradeable security vehicle pursuant to predetermined vehicle processing constraints;

passing through to said holder of said tradeable security vehicle dividend and ownership participation in said portfolio of underlying securities; and

operating an exchange having listed securities that include one or more of said tradeable security vehicles.

13. The method of claim 12 wherein said trustee operates to provide said passing through of dividend and ownership participation.

14. The method of claim 12 wherein said common characteristic for said underlying securities is a business directed to Internet-based commerce.

15. The method of claim 12 wherein said trustee periodically issues and redeems said tradeable security vehicle.

16. The method of claim 14 wherein said trustee holds title of said tradeable security vehicle and coordinates transactions thereof through a Depository Trust Company (DTC).

17. The method of claim 12 wherein said common characteristic for said underlying securities is a business selected from the group of Pharmaceutical, Internet, Biotechnology, and Genetics.

18. The method of claim 12 wherein the common characteristic for said underlying securities is a business having a select capitalization.

19. The method of claim 12 wherein the common characteristic for said underlying securities is a trading level of a select volume range.

20. In combination in a data processing system for managing and tracking accounts reflecting ownership in Security Receipts and for implementing changes in said ownership, said data processing system includes:

Network platform, interconnected with plural workstations for creating Security Receipts from underlying securities tracking Security Receipt ownership and

managing communications to participants regarding rights in said underlying securities, and Security Receipt trustee;

Communication server linking trustee to participants and investors wherein information is communicated to said participants reflecting charges in ownership or transactions relating to said Security Receipts.

21. The data processing system of claim 20 further comprising programming to manage the issuance and redemption of Security Receipts.

22 The data processing system of claim 21 further comprising programming to modify a composition of underlying securities for said Security Receipt.

23 The data processing system of claim 22 wherein said programming includes a portfolio rebalancing based on a merger or acquisition of a company having stock in said underlying securities.